receiving a first inventory value representing the quantity of inventory for a first product;

receiving a second inventory value representing the quantity of inventory for a second product; and

listing the first and second products on an electronic advertising page wherein the first product is presented higher on the advertising page than the second product if the first inventory value is higher than the second inventory value.

25. The system of claim 24, comprising listing the first and second products on the electronic advertising page according to the value of a first and second bid, wherein the first product is presented higher on the advertising page than the second product if the first bid is higher than the second bid, and wherein the first bid is set higher than the second bid if the first inventory value is higher than the second inventory value.

REMARKS

This is a full and timely response to the outstanding non-final Office Action mailed September 12, 2002. Reconsideration and allowance of the application and presently pending claims are respectfully requested.

1. Present Status of Patent Application

Upon entry of the Response and the amendments made herein, claims 1-25 remain pending in the present application. The Applicant has directly amended claims 1, 11 and 23 to more clearly define the present invention, and to fix various typographical errors in the claims. Additionally, the Applicant herewith submits remarks specifically responding to the rejections raised by the Examiner in the Office Action. It is believed that no new matter has been added to the present application.

2. Summary of the Rejections

The present Office Action has rejected all pending claims 1-25. Specifically, claims 11, 12, 13, 21 and 22 were rejected under 35 U.S.C. §112, first paragraph, as lacking enablement. Claims 11, 12 and 13 were further rejected under 35 U.S.C. §103(a) as being unpatentable over a single reference, Davis et al. (U.S. Patent No. 6,269,361), as stated below.

Claims 1-8 were rejected under 35 U.S.C. §102(e) as being unpatentable over Daves et al.

Claims 23-25 were rejected under 35 U.S.C. §102(e) as being unpatentable over Alaia et al (U.S. Patent No. 6,269,361).

Claims 11-20 were rejected under 35 U.S.C. §103(a) as being unpatentable over Davis et al.

Claims 9-10 and 21-22 were rejected under 35 U.S.C. §103(a) as being unpatentable over Davis et al. in view of Brett et al. (U.S. Patent No. 6,023,685).

The Applicant respectfully traverses these rejections and submits the following remarks in support of allowance of the present application.

3. Response to §112, First Paragraph, Rejections.

The Office Action asserts that claims 11, 12, 13, 21 and 22 are not enabled under 35 U.S.C. §112, first paragraph. Specifically, the Office Action asserts that in the situation with airline reservations and golf course tee-off times, the online auction would have to have a closing time to ensure that the auction winners could plan their attendance. While the Office Action asserts that there is no clear description in the provided figures or specification to explain the

manner in which the auction ceases and the fixed time period switches to the next available airline reservation or golf course tee-off time, there is such a description. For example, with respect to golf course tee-off times, the specification states in reference to Fig. 5 as follows:

> If the desired position is not achieved, step 516, the system checks to see if the golfer had set a notification flag so that the golfer would be notified if the desired position had not been achieved, step 518. If the golfer had desired to be notified, the golfer is notified, step 520. Notification may be by a standard technique such as e-mail or voice telecommunication. (Specification as filed, p. 9, lns. 23-27).

Similarly, with respect to airline reservations, the specification states in reference to Fig. 7 as follows:

> If the desired position is not achieved, step 716, the system checks to see if the frequent flyer had set a notification flag so that the frequent flyer would be notified if the desired position had not been achieved, step 718. If the frequent flyer had desired to be notified, the frequent flyer is notified, step 720. Notification may be by a standard technique such as e-mail or voice telecommunication.. (Specification as filed, p. 12, ln. 27 – p. 13 ln. 4).

In summary, the descriptions of each of the golf course tee-off time and airline reservation embodiments provide for a way for the auction winners to plan their attendance by receiving the notifications described above in the text. However, the invention is not limited to those disclosed descriptions for handling auction winners. For example, one skilled in the art would recognize that the Office Action's own description of how auction winners are handled may be used, i.e. a closing time may be used before each flight or tee-off time when auctioning ceases and winners are notified as described above. Such a system is described in detail in Brett et al. with respect to concert tickets (col. 9, lns. 32-37), although Brett et al. does not disclose or suggest required elements of claims 11, 12, 13, 21 and 22, nor required elements of the other claims of the present application as described below. Thus, the fact that Brett et al. discloses a

way to notify auction winners is evidence of the state of the art at the time of filing the present application, and therefore one who is skilled in the art would know various notification methods for notifying auction winners.

It should further be pointed out that the element of notifying auction winners is not claimed in claims 11, 12, 13, 21 and 22, and therefore there is no requirement to enable that element for those claims, even though the specification does enable that element as explained above.

In light of the above, the Applicant believes that the §112 rejection has been traversed. Accordingly, the Applicant maintains that claims 11, 12, 13, 21 and 22, as well as all of the other claims, are enabled and are in condition for allowance.

4. Response to Rejections of Claims 1-8 under 35 U.S.C. §102(e).

The Office Action asserts that claims 1-8 are not patentable under 35 U.S.C. §102(e), over Davis et al. Specifically, with reference to claim 1, the Office Action asserts Davis et al. discloses a system in which a "web site promoter selects a search term and influences a position within the search result list generated by that search term by participating in an online competitive bidding process" (Davis et al., col. 4, ln. 65 – col. 5, ln. 1), wherein "[t]he higher the bid the more advantageous the placement in the search result list..." (Davis et al., col. 5, lns. 35-36). The Office Action references claims 2 and 3 of Davis et al. in which the ranking is updated after each individual bid is placed. Davis et al. also mentions that updates are "preferably" performed in real time (Davis et al., col. 4, lines 64-65).

Claim 1 of the present application requires that management of the auction be performed automatically (see claim 1 preamble), i.e. incrementing the first bid to a value exceeding the second bid if the first bid does not exceed the second bid, thereby causing the relative priority for providing service for the first bidder to exceed the priority for providing service for the second bidder. In Davis et al. and all of the other references cited by the examiner, the incrementing step requires that the bidder manually increment their bid in order for their priority for service to exceed other bidders' priorities for the service. For example, the "web site promoter" of Davis et al. is required to "influence a position" in the system in order to obtain a more advantageous position in a search result. In the method of claim 1 of the present application, no such interaction by the bidder is required in order to "influence a position."

In order to more clearly point out this novel feature, the Applicant has taken the term "automatically" in the preamble, and duplicated it in the "incrementing" element as shown in amended claim 1 as follows:

> automatically incrementing the first bid to a value exceeding the second bid if the first bid does not exceed the second bid, thereby causing the relative priority for providing service for the first bidder to exceed the priority for providing service for the second bidder.

This does not change the scope of the claim as it merely clarifies the invention of claim 1.

In light of the above, the Applicant believes that the §102(e) rejection of claim 1 has been traversed, and amended claim 1 is in a condition for allowance. Claims 2-8 depend from claim 1, and therefore those claims are in a condition for allowance as well.

4. Response to Rejections of Claim 23 under 35 U.S.C. §102(e).

The Office Action asserts that claim 23 is not patentable under 35 U.S.C. §102(e), over Alaia et al. Specifically, the Office Action asserts Alaia et al. discloses an auctioning system from a vendor to a buyer through a buyer terminal acting as a processor connected to a network and a coordinator acting as a database connected to the buyer terminal which acts as the processor (Alaia et al., Fig. 3 & Fig. 4). Priority is established in Alaia et al. when "bid prices start high, and move downward in reverse-auction format as bidders interact" (Alaia et al., co. 2, lns. 28-30). The Office Action asserts that claim 24 of the present application is referenced when "Bids placed by a supplier are broadcast to all connected bidders thereby enabling every participating bidder to see quickly the change in market conditions and begin planning their competitive responses" (Alaia et al., col. 4, lines 11-14). The bids are prioritized on the terminals identifying the most current accepted bid.

Similarly to the method of claim 1 of the present application discussed above, the system of claim 23 requires that management of the auction be performed automatically (see claim 23 preamble) by a "processor", i.e. decrementing the first bid to a value lower than the second bid if the first bid is not lower than the second bid, thereby causing the relative priority for the first vendor to exceed the priority for the second vendor. In Alaia et al., the decrementing step requires that the bidder manually decrement their bid in order for their priority to exceed other bidders' priorities for the service.

Further, by the passages above cited by the Office Action from Alaia et al., the system of Alaia requires human or manual monitoring using terminals illustrating prioritized bids to

facilitate participating bidders to plan their "competitive responses." In contrast, claim 23 of the present application requires no such human interaction, as bids are decremented automatically according to whether a vendor's priority is exceeded due to one or more other vendor's lower bids, i.e. a vendor's bid is automatically decremented according to market conditions, requiring no human monitoring.

In order to more clearly point out this novel feature, the Applicant has taken the term "automatically" in the preamble, and duplicated it in the "decrementing" element as shown in amended claim 23 as follows:

> a processor electrically connected to a network for checking for whether a first bid is lower than a second bid in an auction for determining priority on a server electrically connected to the network for ranking selling priority for a first and second vendor, wherein the relative priority for selling by the first vendor is dependent on whether the value of the first bid is lower than the value of the second bid, and wherein the relative priority for selling by the second vendor is dependent on whether the value of the second bid is lower than the value of the first bid, and for automatically decrementing the first bid to a value lower than the second bid if the first bid is not lower than the second bid, thereby causing the relative priority for the first vendor to exceed the priority for second [bidder] vendor; and

The amendments to claim 23 do not change the scope of the claim as they merely clarify the invention of claim 23 and correct typographical errors in the claim.

In light of the above, the Applicant believes that the §102(e) rejection of claim 23 has been traversed, and amended claim 23 is in a condition for allowance.

5. Response to Rejections of Claims 24-25 under 35 U.S.C. §102(e).

The Office Action asserts that claims 24-25 are not patentable under 35 U.S.C. §102(e) over Alaia et al. Specifically, the Office Action asserts Alaia et al. discloses an auctioning

system from a vendor to a buyer through a buyer terminal acting as a processor connected to a network and a coordinator acting as a database connected to the buyer terminal which acts as the processor (Alaia et al., Fig. 3 & Fig. 4). Priority is established in Alaia et al. when "bid prices start high, and move downward in reverse-auction format as bidders interact" (Alaia et al., co. 2, lns. 28-30). The Office Action asserts that claim 24 of the present application is referenced when Alaia et al. provides "unit price quotes for all items in a lot" (col. 2, line 50), which merely establishes the current price for the inventory on hand. The Office Action asserts that claim 25 of the present application is referenced when "Bids placed by a supplier are broadcast to all connected bidders thereby enabling every participating bidder to see quickly the change in market conditions and begin planning their competitive responses" (Alaia et al., col. 4, lines 11-14). The bids are prioritized on the terminals identifying the most current accepted bid.

However, Alaia et al., and all of the other references cited by the Office Action, fail to disclose a method for automatically managing inventory in a vendor inventory control system, comprising receiving a first inventory value representing the quantity of inventory for a first product, receiving a second inventory value representing the quantity of inventory for a second product; and listing the first and second products on an electronic advertising page wherein the first product is presented higher on the advertising page than the second product if the first inventory value is higher than the second inventory value. This method is uniquely different from any vendor inventory system before in that the method allows vendors to list or cause to be listed products on an advertising page in an order related to the relative amount of inventory that the vendor currently has. This method has many advantageous effects, including calling

attention to viewers of the advertising page first to products that have a high inventory value for the vendor, thus encouraging those viewers to consider the products with the higher inventory values first. None of the references cited in the Office Action describes these steps or describes a system for practicing the steps claimed in claim 24.

In light of the above, the Applicant believes that the §102(e) rejection of claim 24 has been traversed, and claim 24 is in a condition for allowance. Claim 25 depends from claim 24, and therefore that claim is in a condition for allowance as well.

6. Response to Rejections of Claims 11-20 under 35 U.S.C. §103(a).

The Office Action asserts that pending claims 11-20 are rendered obvious under 35 U.S.C. §103(a) solely by Davis et al. Specifically, the Office Action states that Davis et al. teaches in figure 1, a processor 34 electrically connected to a network 20 as well as a database 32 electrically connected to the processor 34. The Office Action states that it would be obvious to one of ordinary skill in the art that the processor checks the bids and prioritizes them based on value while the database stores the value.

The Office Action further states that with respect to claims 12, 13, 16 and 20, that it would have been obvious to someone of ordinary skill in the art that tasks such as checking and incrementing bids a plurality of times, pausing for a fixed time period between checking and incrementing, and placing bids for the first bidder on the plurality of search engines must be controlled by the processor 34 show in figure 1.

Finally, the Office Action states that with respect to Claims 14, 15 and 17-19, tasks such as ranking of hypertext links to web pages in search results from a search engine, ranking the

hypertext links higher according to their bid value, and placing the first hypertext link higher than the second hypertext link based upon bids must be provided by a server 24 from figure 1. The Office Action states that it is obvious that the server 24 is electrically connected to the network 20 and it would be obvious to someone of ordinary skill that multiple search engine web servers 24 could be connected to the network 20.

However, as with claim 1 discussed above, claim 11 requires that the step of incrementing the first bid to a value exceeding the second bid if the first bid does not exceed the second bid be performed automatically (see preamble) by the processor. The Office Action fails to address this element required by claim 11, and it would not be obvious to one of ordinary skill in the art to have the processor perform the incrementing step automatically. Conversely, as with the other references cited by the Office Action, Davis et al. in fact teaches away from having the step of incrementing the bids performed automatically. Davis et al., and those other references, require human or manual intervention to increment bids based on displays or notifications of market conditions and priority levels.

Further, as one of the secondary indicators tending to show that the step of automatically incrementing bids is not obvious, the Applicant submits the press release from Overture, Inc. (formerly Goto.com), the assignee of Davis et al., as Appendix B to this response in which Overture announces that in late June, 2002, it is adding their "auto bidding" feature to their system, well after the filing of the present application. The fact that others (Overture, Inc.) have copied or are using the claimed feature, and publicizing it as breakthrough technology, albeit significantly after the Applicant here came up with the technology, is an indication that the

technology is not obvious in view of Overture's own patent, Davis et al., that the Office Action cites here.

Finally, the Applicant maintains that the arguments raised with respect to obviousness in the Office Action do not establish a prima facie case of obviousness. In order for a claim to be properly rejected under 35 U.S.C. §103, the combined teachings of the prior art references must suggest all features of the claimed invention to one of ordinary skill in the art. See, e.g., In Re Dow Chemical, 837, F.2d 469, 5 U.S.P.Q.2d 1529, 1531 (Fed. Cir. 1988); In re Keller, 642 F.2d 413, 208 U.S.P.Q. 871, 881 (C.C.P.A. 1981). "The PTO has the burden under section 103 to establish a prima facie case of obviousness. It can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references." In re Fine, 837 F.2d 1071, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). The Applicant asserts that this burden has not been satisfied.

It is well settled law that in order to properly support an obviousness rejection under 35 U.S.C. § 103, there must have been some teaching ***in the prior art*** to suggest to one skilled in the art that the claimed invention would have been obvious. W. L. Gore & Associates, Inc. v. Garlock Thomas, Inc., 721 F.2d 1540, 1551 (Fed. Cir. 1983). More significantly,

> The consistent criteria for determination of obviousness is whether the prior art would have suggested to one of ordinary skill in the art that this [invention] should be carried out and would have a reasonable likelihood of success, viewed in light of the prior art. ...***Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure***... In determining whether such a suggestion can fairly be gleaned from the prior art, the full field of the invention must be considered; for the person of ordinary skill in the art is charged with

> knowledge of the entire body of technological literature, including that which might lead away from the claimed invention.

(*emphasis added*) In re Dow Chemical Company, 837 F.2d 469, 473 (Fed. Cir. 1988).

In this regard, the Applicant notes that there must not only be a suggestion to combine the functional or operational aspect of automatically incrementing bids with Davis et al., but that the Federal Circuit also requires the prior art to suggest ***both*** the combination of elements ***and*** the structure resulting from the combination. Stiftung v. Renishaw PLC, 945 Fed.2d 1173 (Fed. Cir. 1991). Therefore, in order to sustain an obviousness rejection based upon a combination of the automatic bid incrementing feature with Davis et al., that prior art reference must properly suggest the desirability of combining that particular element with the other required elements to create the invention as claimed by the Applicant.

Even if it could be said that the automatic bid incrementing feature could be combined with Davis et al., or one or more the other references cited by the Office Action for an obviousness rejection, the Applicant maintains that the proposed combination would be nothing more than a hindsight suggestion to combine the references with the other elements of the claims at issue to achieve a system that automatically increments bids.

Applicant respectfully submits that to establish a *prima facie* case of obviousness, three basic criteria must be met. As discussed above, first, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art references must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination

and the reasonable expectation of success must both be found in the prior art, and not based on the Applicant's disclosure. MPEP § 706.02(j).

The Applicant respectfully submits that there is no teaching or suggestion in the disclosed prior art to combine the automated bid increment feature with Davis et al., or any other reference, to achieve the invention claimed by claim 11. Accordingly, the Applicant asserts that the Office Action has failed to establish a *prima facie* case of obviousness for that claim.

In order to more clearly point out this novel feature, the Applicant has taken the term "automatically" in the preamble, and duplicated it in the "decrementing" element as shown in amended claim 11 as follows:

> a processor electrically connected to a network for checking for whether a first bid exceeds a second bid in an auction for determining continuing priority on a server electrically connected to the network for providing an ongoing service for a first and second bidder, wherein the relative priority for providing the service for the first bidder is dependent on whether the value of the first bid exceeds the value of the second bid, and wherein the relative priority for providing the service for the second bidder is dependent on whether the value of the second bid exceeds the value of the first bid, and for <u>automatically</u> incrementing the first bid to a value exceeding the second bid if the first bid does not exceed the second bid, thereby causing the relative priority for providing service for the first bidder to exceed the priority for providing service for the second bidder; and

The amendment to claim 11 does not change the scope of the claim as it merely clarifies the invention of claim 11.

In light of the above, the Applicant believes that the §103(a) rejection of claim 11 has been traversed, and amended claim 11 is in a condition for allowance. Claims 12-20 depend from claim 11, and therefore those claims are in a condition for allowance as well.

7. Response to Rejections of Claims 9-10 and 21-22 under 35 U.S.C. §103(a).

The Office Action asserts that pending claims 9-10 and 21-22 are rendered obvious under 35 U.S.C. §103(a) by the combination of Davis et al. and Brett et al. Specifically, the Office Action states that Davis et al. teaches the bidding system but does not relate it to purchasing of airline reservations or golf course tee-off times. The Office Action further states that Brett et al. teaches a bidding process for the purchase of event tickets and that it would be obvious to someone of ordinary skill in the art that the online auctioning techniques taught by Davis et al. and Brett et al. could be applied together to purchase items such as event tickets, airline reservations, golf course tee-times, or general memorabilia. However, similarly to the Office Action's rejection of claim 11 discussed above, none of the references cited by the Office Action teach a system or method wherein bids are incremented automatically, even if there was some suggestion to combine Davis et al., Brett et al., or any of the references.

As explained with respect to claim 11, in order for a claim to be properly rejected under 35 U.S.C. §103, the combined teachings of the prior art references must suggest all features of the claimed invention to one of ordinary skill in the art. See, e.g., In Re Dow Chemical, 837, F.2d 469, 5 U.S.P.Q.2d 1529, 1531 (Fed. Cir. 1988); In re Keller, 642 F.2d 413, 208 U.S.P.Q. 871, 881 (C.C.P.A. 1981).

Each of claims 9-10, by virtue of their dependence on claim 1, and claims 21-22 by virtue of their dependence on claim 11, require the automatic bid incrementing feature discussed above with respect to claim 11. As is the case with respect to claims 1 and 11, the Office Action fails to address how the element of automatic bid incrementing required by claims 9-10 and 21-22 is

disclosed in any of the prior art references cited by the Office Action. Thus, as further discussed with respect to claim 11, the Applicant maintains that the cited art does not teach, disclose or suggest each feature of the invention of claims 9-10 and 21-22, even if Davis et al. and Brett et al. are combined.

Even if there was a suggestion to combine Davis et al. and Brett et al., which there does not seem to be, the Applicant still maintains that the arguments raised in the Office Action with respect to claims 9-10 and 21-22 do not establish a *prima facie* case of obviousness for the same reasons that the Office Action fails to do so with respect to claim 11. In other words, the Applicant respectfully submits that the a *prima facie* case of obviousness has not been established because none of the three basic criteria have been met. Namely, first, there is no suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify a reference or to combine reference teachings to achieve the inventions claimed in claims 9-10 and 21-22. Second, there is no reasonable expectation of success for such a combination. Finally, the prior art references completely fail to teach or suggest all the claim limitations. Further, given that there is neither a teaching nor suggestion to make the claimed combination of any of those claims, nor the reasonable expectation of success for that combination, there is no *prima facie* case of obviousness. MPEP § 706.02(j).

Although the Office Action does not address the issue, the Applicant respectfully submits that there is no teaching or suggestion in the disclosed prior art to combine the automated bid increment feature with Davis et al., Brett et al., or any other reference, to achieve the inventions

claimed by claims 9-10 or 21-22. Accordingly, the Applicant asserts that the Office Action has failed to establish a *prima facie* case of obviousness for those claims.

In light of the above, the Applicant believes that the §103(a) rejection of claims 9-10 and 21-22 has been traversed, and those claims are each in a condition for allowance.

CONCLUSION

The Applicant has made an earnest and bona fide effort to clarify the issues before the Examiner and to place this case in condition for allowance. In view of the foregoing discussions, it is clear that the differences between the claimed invention and the prior art are such that the claimed invention is patentably distinct over the prior art. Further it is clear that all of the claimed inventions have been enabled. Therefore, reconsideration and allowance of all of claims 1-25 is believed to be in order, and an early Notice of Allowance to this effect is respectfully requested. If the Examiner should have any questions concerning the foregoing, the Examiner is invited to telephone the undersigned attorney at (310) 712-8311. The undersigned attorney can normally be reached Monday through Friday from about 9:30 AM to 5:30 PM Pacific Time.

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Respectfully submitted,

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IP

Annotated Version of Claims to Show Changes Made

1. (Once Amended) A method for automatically managing an auction for determining relative priority for a service in a system wherein priority is based on the relative value of related bids, comprising:

checking for whether a first bid exceeds a second bid in an auction for determining continuing priority for providing an ongoing service for a first and second bidder, wherein the relative priority for providing the service for the first bidder is dependent on whether the value of the first bid exceeds the value of the second bid, and wherein the relative priority for providing the service for the second bidder is dependent on whether the value of the second bid exceeds the value of the first bid; and

automatically incrementing the first bid to a value exceeding the second bid if the first bid does not exceed the second bid, thereby causing the relative priority for providing service for the first bidder to exceed the priority for providing service for the second bidder.

2. The method of claim 1, further comprising executing the steps of checking and incrementing a plurality of times.

3. The method of claim 2, further comprising pausing for a fixed period of time between each series of steps of checking and incrementing.

4. The method of claim 3, wherein the service to bidders comprises providing ranking of hypertext links to web pages in search results in an on-line web page search engine.

5. The method of claim 4, wherein the ranking of a first hypertext link to a first web page for the first bidder is higher than the ranking of a second hypertext link to a second web page for the second bidder if the first bid is higher than the second bid.

6. The method of claim 5, comprising placing bids on a plurality of search terms which may be typed into the search engine by search engine users wherein different ranking is determined for each search term.

7. The method of claim 6, wherein the ranking of the first hypertext link is higher than the second hypertext link if the first bid is higher than the second bid for each of the plurality of search terms.

8. The method of claim 7, wherein the step of checking and incrementing is executed for a plurality of search engines for a plurality of search terms.

9. The method of claim 1 wherein the service to bidders comprises providing ranking of priority for golf course tee-off times on one or several golf courses.

10. The method of claim 1 wherein the service to bidders comprises providing ranking of priority for airline reservations on one or several airlines.

11. A system for automatically managing an auction for determining relative priority for a service in a system wherein priority is based on the relative value of related bids, comprising:

a processor electrically connected to a network for checking for whether a first bid exceeds a second bid in an auction for determining continuing priority on a server electrically connected to the network for providing an ongoing service for a first and second bidder, wherein the relative priority for providing the service for the first bidder is dependent on whether the value of the first bid exceeds the value of the second bid, and wherein the relative priority for providing the service for the second bidder is dependent on whether the value of the second bid exceeds the value of the first bid, and for automatically incrementing the first bid to a value exceeding the second bid if the first bid does not exceed the second bid, thereby causing the relative priority for providing service for the first bidder to exceed the priority for providing service for the second bidder; and

a database electrically connected to the processor for storing the first and second bids.

12. The system of claim 11, wherein the processor is further for checking and incrementing the first bid a plurality of times.

13. The system of claim 12, wherein the processor is further for pausing for a fixed period of time between each checking and incrementing of the first bid.

14. The system of claim 13, wherein the service to bidders comprises providing ranking of hypertext links to web pages in search results in an on-line web page search engine stored on the server.

15. The system of claim 14, wherein the server is further for ranking of a first hypertext link to a first web page for the first bidder higher than the ranking of a second hypertext link to a second web page for the second bidder if the first bid is higher than the second bid.

16. The system of claim 15, wherein the processor is further for placing bids on a plurality of search terms which may be typed into the search engine by search engine users wherein different ranking is determined for each search term.

17. The system of claim 16, wherein the server is further for setting the ranking of the first hypertext link higher than the second hypertext link in a search result if the first bid is higher than the second bid for each of the plurality of search terms.

18. The system of claim 17, further comprising a plurality of servers electrically connected to the network.

19. The system of claim 18, further comprising a plurality of search engines on the plurality of servers.

20. The system of claim 19, wherein the processor is further for checking and incrementing a plurality of bids for the first bidder on the plurality of search engines.

21. The system of claim 11 wherein the service to bidders comprises providing ranking of priority for golf course tee-off times on one or several golf courses.

22. The system of claim 11 wherein the service to bidders comprises providing ranking of priority for airline reservations on one or several airlines.

23. A system for automatically managing an auction for determining relative priority for vendors for selling to a plurality of buyers based on the relative value of related bids, comprising:

a processor electrically connected to a network for checking for whether a first bid is lower than a second bid in an auction for determining priority on a server electrically connected to the network for ranking selling priority for a first and second vendor, wherein the relative priority for selling by the first vendor is dependent on whether the value of the first bid is lower than the value of the second bid, and wherein the relative priority for selling by the second vendor is dependent on whether the value of the second bid is lower than the value of the first bid, and for automatically decrementing the first bid to a value lower than the second bid if the first bid is not lower than the second bid, thereby causing the relative priority for the first vendor to exceed the priority for second [bidder] vendor; and

a database electrically connected to the processor for storing the first and second bids.

24. In a vendor inventory control system, a method for automatically managing inventory, comprising:

receiving a first inventory value representing the quantity of inventory for a first product;

receiving a second inventory value representing the quantity of inventory for a second product; and

listing the first and second products on an electronic advertising page wherein the first product is presented higher on the advertising page than the second product if the first inventory value is higher than the second inventory value.

25. The system of claim 24, comprising listing the first and second products on the electronic advertising page according to the value of a first and second bid, wherein the first product is presented higher on the advertising page than the second product if the first bid is higher than the second bid, and wherein the first bid is set higher than the second bid if the first inventory value is higher than the second inventory value.

overture

DirecTraffic Center®

Overture to Launch New Auto Bidding Feature

In late June, we'll offer a new bidding option that will save you time and optimize your budget. This new feature, Auto Bidding, will ensure that you always get the highest position for your bid without paying more than 1 cent above the bid of the next highest competitor.

Auto Bidding allows you to set the maximum you're willing to pay for each click. Simply enter a bid, and Auto Bidding will continually update your cost to give you the best position possible at the best price.

We recommend that you set Auto Bidding for all of your listings, because it will save you time and ensure that you never overpay for clicks. However, if you prefer to bid the same way you do today, you may choose the Fixed Bidding option which means your cost per click will equal your bid.

A number of enhancements to the Manage Bids page will also be launched with Auto Bidding. One improvement you may especially appreciate is the statistics section, which provides the information you need to make better bidding decisions.

Look for the new Auto Bidding feature in the Manage Listings section of the DirecTraffic Center®.